



Adjustment Items for Holding Your Account Open

Items that classify as adjustments for holding open your account are:

2019 1099 Reporting – Report to us any 1099 employees who were paid in 2019.

Group Term Life Insurance – You may be required to include in wages the cost of group term life insurance (GTL) coverage of more than \$50,000 provided to an employee or for coverage that discriminated in favor of the employee. This amount is subject to Social Security, Medicare, and withholding taxes. **GTL must be done with a regularly scheduled payroll run in 2019 so you must be sure that each employee has enough earnings to cover the additional taxes that must be withheld from that check.** Refer to [IRS Publication 15-B](#) for detailed instructions. Additional processing fees will apply if an additional payroll for GTL is processed.

Taxable Fringe Benefits* – The value of some non-cash fringe benefits must be considered income to employees. These benefits must be reported on Form 941, as well as on W-2s. These fringe benefits must be done with a regularly scheduled payroll run in 2019, so you must be sure that each employee has enough earnings to cover the additional taxes that must be withheld from that check. If you require more information, please refer to [IRS Publication 15-B](#). Additional processing fees will apply if an additional payroll for fringe benefits is processed.

2019 Year-End Bonus Runs** - Any year-end bonuses should be submitted in writing no later than **12/26/2019** to your account manager.

2019 Void/Manual Check** - Adjustments **can't** be voided in a 2020 payroll run. Additional fees will be applied if checks that need to be voided are NOT voided with a regularly scheduled 2019 payroll no later than 12/26/2019.

*Some of the payroll runs outlined in this letter have special tax implications. Check with your accountant as to how they should be handled. (Note: when reporting taxable fringe benefits for your employees, you must run them with a regular scheduled payroll so that the appropriate taxes can be withheld. Be sure each employee has enough earnings for the taxes to be calculated and withheld from that check.)

**We must process adjustments and bonus runs in time to meet your tax filing deadlines and make timely tax deposits. If we do not receive your information for processing at least two days prior to your check date, you will be responsible for any penalties and/or interest that may result.